
DEFINITIONS

- **Actuals vs. Budget/Estimate** - This document includes analyses of department appropriations and funds based on variances between the 2006-2007 actual revenues/expenditures and either the 2006-2007 Modified Budget or 2006-2007 estimates.
 - "Actuals" represent estimated, unaudited year-end close figures as of June 30, 2007.
 - "Budget" reflects the original 2006-2007 Adopted Budget plus Council-approved modifications to the Appropriation Ordinance and Funding Sources Resolution. This number represents the year-end budget.
 - "Estimates" are revenue/expenditure projections based on information available prior to June 30, 2007. These estimates were used in calculating the year-end fund balance, and consequently, the 2007-2008 Adopted Budget beginning fund balance.
- **Budgetary Basis vs. GAAP** - The figures used throughout the text of this report are presented in accordance with the budget. The Financial Statements section of this report, however, has been prepared using reports, which in many cases, have been adjusted to report transactions in accordance with generally accepted accounting principles (GAAP). Major differences between the budgetary basis and GAAP basis include:
 - Year-end encumbrances are recognized as the equivalent of expenditures for budgetary purposes. Encumbrances are not recognized as expenditures on a GAAP basis until recorded as actual expenditures. As a result, the expenditures and encumbrances have been combined in the text for a budgetary basis presentation, while the Financial Statements section presents expenditures and encumbrances separately.
 - In Governmental Funds, an amount for the current year's compensated absences is not recognized on a budgetary basis since annual expenditures related to vacation, sick leave, and compensatory time are budgeted as part of departmental personal services.
 - Certain loan transactions and debt service payments are not recognized as expenditures on a GAAP basis since these payments represent a reduction of an existing debt obligation. For budgetary purposes, however, these payments represent a "use of funds" and are budgeted as such.
 - Under the GAAP basis, grant resources that are restricted to capital acquisition or construction in an enterprise fund are identified as contributions of capital and are not recorded as revenue. For budgetary purposes, grant funding, such as this, is recognized as a source of funds.

DEFINITIONS (CONT'D.)

- **Significant Funds** - In the Special/Capital Funds section, we have attempted to describe all funds of significance in the budget. More than 100 funds exist in the City, of which many serve only administrative functions. For purposes of this report, funds that were not budgeted or that did not have significant activity were excluded. Examples of such funds include the Cash Reserve Fund, the Emergency Reserve Fund, and the Retirement Funds.
- **Presentation**- In the analyses that follow, dollar amounts are presented in thousands unless otherwise specified.
- **Glossary of Terms** - Definitions of frequently used budgetary and accounting terms are presented on the next page.